



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-971]

Multilayered Wood Flooring from the People's Republic of China: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) continues to determine that Riverside Plywood Corporation (Riverside) and its cross-owned affiliates Baroque Timber Industries (Baroque Timber) and Suzhou Times Flooring Co., Ltd., and Jiangsu Senmao Bamboo and Wood Industry Co., Ltd. (Jiangsu Senmao), producers and/or exporters of multilayered wood flooring (wood flooring) from the People's Republic of China (China), received countervailable subsidies during the period of review (POR) January 1, 2018, through December 31, 2018.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Dennis McClure, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5973.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* of this administrative review in the *Federal Register* on April 23, 2021,¹ and invited interested parties to comment.

On June 1, 2021, we received case briefs from the following interested parties: Riverside, Jiangsu Senmao, Fine Furniture (Shanghai) Limited and Double F Limited (collectively, Fine Furniture), Lumber Liquidators Services, LLC (including various Chinese exporters and producers), the Government of the People's Republic of China (GOC), and the American Manufacturers of Multilayered Wood Flooring. On June 15, 2021, we received rebuttal briefs from Riverside, Jiangsu Senmao, and the American Manufacturers of Multilayered Wood Flooring. For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.²

On July 29, 2021, we extended the deadline for these final results to October 20, 2021.³

Scope of the Order

The product covered by the *Order*⁴ is multilayered wood flooring from China. For a complete description of the scope of the *Order*, see the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in the parties' briefs are addressed in the Issues and Decision Memorandum. A list of the issues addressed is attached to this notice at Appendix I. The Issues

¹ See *Multilayered Wood Flooring from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, and Intent to Rescind Review, in Part; 2018*, 86 FR 21693 (April 23, 2021) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

² See Memorandum, "Issues and Decision Memorandum for the Final Results of the 2018 Countervailing Duty Administrative Review of Multilayered Wood Flooring from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

³ See Memorandum, "Administrative Review of the Countervailing Duty Order on Multilayered Wood Flooring from the People's Republic of China: Extension of Deadline for Final Results," dated July 29, 2021.

⁴ See *Multilayered Wood Flooring from the People's Republic of China: Countervailing Duty Order*, 76 FR 76693 (December 8, 2011) (*Order*); see also *Multilayered Wood Flooring from the People's Republic of China: Amended Antidumping and Countervailing Duty Orders*, 77 FR 5484 (February 3, 2012) (*Amended Order*); and *Multilayered Wood Flooring from the People's Republic of China: Final Clarification of the Scope of the Antidumping and Countervailing Duty Orders*, 82 FR 27799 (June 19, 2017).

and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the *Preliminary Results*

Based on our analysis of the case and rebuttal briefs and the evidence on the record, we made certain changes from the *Preliminary Results*. These changes are explained in the Issues and Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁵ The Issues and Decision Memorandum contains a full description of the methodology underlying Commerce's conclusions, including any determination that relied upon the use of adverse facts available pursuant to sections 776(a) and (b) of the Act.

Partial Rescission of Administrative Review

As noted in the *Preliminary Results*, Commerce timely received no-shipment certifications from Innomaster Home (Zhongshan) Co., Ltd.; Jiangsu Yuhui International Trade Co., Ltd.; Jiashan On-Line Lumber Co., Ltd.; and Shandong Longteng Wood Co., Ltd. We inquired with U.S. Customs and Border Protection (CBP) whether these companies had shipped merchandise to the United States during the POR, and CBP provided no evidence to contradict the claims of no shipments made by these companies. Accordingly, in the *Preliminary Results*,

⁵ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Commerce stated its intention to rescind the review with respect to these companies in the final results. As the facts in this regard are unchanged since the *Preliminary Results*, we are rescinding the administrative review of these companies, pursuant to 19 CFR 351.213(d)(3).

Final Results of Administrative Review

In accordance with 19 CFR 351.221(b)(5), we calculated a final countervailable subsidy rate for each of the mandatory respondents, Riverside and Jiangsu Senmao. For the companies subject to this review that were not selected for individual examination, we followed Commerce practice, which is to base the subsidy rates on an average of the subsidy rates calculated for those companies selected for individual examination, excluding *de minimis* rates or rates based entirely on adverse facts available. In this case, for the non-selected companies, we calculated a rate by weight-averaging the calculated subsidy rates of Riverside and Jiangsu Senmao using their publicly-ranged sales data for exports of subject merchandise to the United States during the POR. We find the countervailable subsidy rates for the producers/exporters under review to be as follows:

Producer/Exporter	Subsidy Rate (Percent)
Riverside Plywood Corporation and its Cross-Owned Affiliates ⁶	9.18
Jiangsu Senmao Bamboo and Wood Industry Co., Ltd.	5.81
Non-Selected Companies Under Review ⁷	8.17

Assessment Rates

Pursuant to 19 CFR 351.212(b)(2), Commerce will determine, and CBP shall assess, countervailing duties on all appropriate entries of subject merchandise in accordance with the final results of this review, for the above-listed companies at the applicable *ad valorem* assessment rates listed. We intend to issue assessment instructions to CBP 35 days after the date of publication of these final results of review. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries

⁶ Cross-owned affiliates are Baroque Timber Industries and Suzhou Times Flooring Co., Ltd.

⁷ See Appendix II.

until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

For the companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the POR in accordance with 19 CFR 351.212(c)(1)(i).

Cash Deposit Instructions

In accordance with section 751(a)(2)(C) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms subject to the *Order*, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, effective upon publication of these final results, shall remain in effect until further notice.

Administrative Protective Orders

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

We are issuing and publishing these final results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: October 20, 2021.

Ryan Majerus,
Deputy Assistant Secretary

*for Policy and Negotiations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.*

Appendix I

List of Topics Discussed in the Final Decision Memorandum

- I. Summary
 - II. Background
 - III. Scope of the Order
 - IV. Rescission of the Review, In Part
 - V. Period of Review
 - VI. Subsidies Valuation Information
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 - VIII. Use of Facts Otherwise Available
 - IX. Analysis of Programs
 - X. Discussion of Comments
- Comment 1: Whether to Apply Adverse Facts Available to the Export Buyer's Credit Program
- Comment 2: Whether There Is a Basis to Apply Adverse Facts Available Regarding the Countervailability of the Provision of Electricity for Less Than Adequate Remuneration
- Comment 3: Whether the Electricity Rate Benchmark Selected for Adverse Facts Available Is Flawed
- Comment 4: Whether There Is a Basis to Apply Adverse Facts Available to Specificity Regarding the Countervailability of the Provision of Inputs for Less Than Adequate Remuneration
- Comment 5: Whether Individually-Owned Suppliers Are Government Authorities
- Comment 6: Whether Commerce Should Include International Tropical Timber Organization Data in the Plywood Benchmark Price for the Provision of Plywood for Less Than Adequate Remuneration
- Comment 7: Whether Commerce Should Revise its Benchmark Prices to Properly Value Multiple Sources of Data
- Comment 8: Whether Commerce Should Apply Partial Adverse Facts Available to Riverside and Baroque Timber for Failing to Fully Report Purchases of Backboard Veneers
- Comment 9: Whether Backboards Are Properly Defined as Veneers
- Comment 10: Whether to Use Riverside's and Baroque Timber's Density Estimates Based on Actual Purchases or Density Figures from the 2017 Administrative Review in the Provision of Fiberboard and Veneers for Less Than Adequate Remuneration Calculations
- Comment 11: Whether Commerce Incorrectly Calculated Baroque Timber's Unit Price for Fiberboard and Veneers
- Comment 12: Whether to Include a Specific Harmonized Tariff Schedule Subheading in the Veneer Benchmark Calculation
- Comment 13: Whether Commerce Should Adjust the Value-Added Tax Used to Calculate Benchmark Prices for the Provision of Inputs for Less Than Adequate Remuneration Calculations
- Comment 14: Whether Commerce Should Revise Inland Freight Costs Used to Calculate Benchmark Prices for the Provision of Inputs for Less Than Adequate Remuneration Calculations
- A. Domestic Transportation and Border Fees
 - B. Jiangsu Senmao's Inland Freight Distance
 - C. Jiangsu Senmao's Domestic Transportation Rate
- Comment 15: Whether Commerce Should Include Negative Less Than Adequate Remuneration Calculations in Benefits
- Comment 16: Whether Commerce's Decision to Countervail "Other Subsidies" Is Contrary to

Law

Comment 17: Whether Commerce Should Assign Kember Flooring a Countervailable Duty Subsidy Rate

Comment 18: Whether Commerce Should Revise the U.S. Customs and Border Protection Instructions

XI. Recommendation

Appendix II

Non-Selected Companies Under Review

1. Anhui Boya Bamboo & Wood Products Co., Ltd.
2. Anhui Longhua Bamboo Product Co., Ltd.
3. Anhui Yaolong Bamboo & Wood Products Co., Ltd.
4. Armstrong Wood Products (Kunshan) Co., Ltd.
5. Benxi Flooring Factory (General Partnership)
6. Benxi Wood Company
7. Changzhou Hawd Flooring Co., Ltd.
8. Dalian Huilong Wooden Products Co., Ltd.
9. Dalian Jaenmaken Wood Industry Co., Ltd.
10. Dalian Jiahong Wood Industry Co., Ltd.
11. Dalian Kemian Wood Industry Co., Ltd.

12. Dalian Penghong Floor Products Co., Ltd.
13. Dalian Qianqiu Wooden Product Co., Ltd.
14. Dalian Shengyu Science and Technology Development Co.
15. Dalian Shumaike Floor Manufacturing Co., Ltd.
16. Dalian T-Boom Wood Products Co., Ltd.
17. Dongtai Fuan Universal Dynamics, LLC
18. Dun Hua Sen Tai Wood Co., Ltd.
19. Dunhua City Dexin Wood Industry Co., Ltd.
20. Dunhua City Hongyuan Wood Industry Co., Ltd.
21. Dunhua City Jisen Wood Industry Co., Ltd.
22. Dunhua Shengda Wood Industry Co., Ltd.
23. Fine Furniture (Shanghai) Limited
24. Fusong Jinlong Wooden Group Co., Ltd.
25. Fusong Jinqiu Wooden Product Co., Ltd.
26. Fusong Qianqiu Wooden Product Co., Ltd.
27. Guangzhou Homebon Timber Manufacturing Co., Ltd.
28. HaiLin LinJing Wooden Products Co., Ltd.
29. Hangzhou Hanje Tec Company Limited
30. Hangzhou Zhengtian Industrial Co., Ltd.
31. Hunchun Forest Wolf Wooden Industry Co., Ltd.
32. Hunchun Xingjia Wooden Flooring Inc.
33. Huzhou Chenghang Wood Co., Ltd.
34. Huzhou Fulinmen Imp. & Exp. Co., Ltd.
35. Huzhou Jesonwood Co., Ltd.
36. Huzhou Sunergy World Trade Co., Ltd.
37. Jiangsu Guyu International Trading Co., Ltd.
38. Jiangsu Keri Wood Co., Ltd.
39. Jiangsu Mingle Flooring Co., Ltd.
40. Jiangsu Simba Flooring Co., Ltd.
41. Jiashan HuiJiaLe Decoration Material Co., Ltd.
42. Jiaxing Hengtong Wood Co., Ltd.
43. Jilin Xinyuan Wooden Industry Co., Ltd.
44. Karly Wood Product Limited
45. Kember Flooring, Inc. (aka Kember Hardwood Flooring, Inc.)
46. Kemian Wood Industry (Kunshan) Co., Ltd.
47. Kingman Floors Co., Ltd.
48. Linyi Anying Wood Co., Ltd.
49. Linyi Youyou Wood Co., Ltd. (successor-in-interest to Shanghai Lizhong Wood Products Co., Ltd.) (aka, The Lizhong Wood Industry Limited Company of Shanghai)
50. Pingze Timber Manufacturing (Zhejiang) Co., Ltd.
51. Power Dekor Group Co. Ltd.
52. Scholar Home (Shanghai) New Material Co. Ltd.
53. Shanghaifloor Timber (Shanghai) Co., Ltd.
54. Sino-Maple (Jiangsu) Co., Ltd.
55. Suzhou Dongda Wood Co., Ltd.
56. Tongxiang Jisheng Import and Export Co., Ltd.
57. Xiamen Yung De Ornament Co., Ltd.
58. Xuzhou Shenghe Wood Co., Ltd.
59. Yekalon Industry, Inc.
60. Yihua Lifestyle Technology Co., Ltd.
61. Yingyi-Nature (Kunshan) Wood Industry Co., Ltd.
62. Zhejiang Dadongwu Greenhome Wood Co., Ltd.

63. Zhejiang Fuerjia Wooden Co., Ltd.
64. Zhejiang Jiechen Wood Industry Co., Ltd.
65. Zhejiang Longsen Lumbering Co., Ltd.
66. Zhejiang Shiyou Timber Co., Ltd.
67. Zhejiang Shuimojiangnan New Material Technology Co., Ltd.
68. Zhejiang Simite Wooden Co., Ltd.

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